SECRET
Classification

PET 6 Libya

Department of State

TELEGRAM

INDICATE:
☐ COLLECT
☐ CHARGE TO

48

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [illegible] DATE 8/7/81
16 OCT 70 21 462
RDS ☐ or XDS ☐ EXT. DATE
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED ☑ RELEASABLE ☑
RELEASE DENIED ☐
PA or FOI EXEMPTIONS

DISTRIBUTION

ACTION: Amembassy TEHRAN

STATE

SUBJECT: Effects of Oil Settlement in Libya

REF: State CA-5324, October 16

1. We expect companies will initially maintain that Libyan increases applicable only to Libya because of its special advantages of location and crude quality. Would appear, however, that pressure on companies for similar settlements by other producing countries will be irresistible including at least some increases in Persian Gulf.

2. Immediate and/or progressive increases in the tax rates and posted prices in the Persian Gulf could increase government revenues by 5 to 20 cents per barrel. Based on August 1970 production rate, annual revenue increase for GOI could amount to $73 million if per barrel revenue increase was 5 cents, $145 million if 10 cents, $219 million if 15 cents, and $291 million if 20 cents.

3. Refair gives further details.

Gp 3

End

IRWIN

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FORM DS-322
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